

14th U.S.-ASEAN Dialogue

Manila, Philippines, 23–24 May 1998

PRESS STATEMENT

1. The fourteenth U.S.-ASEAN Dialogue meeting convened in Manila on 23–24 May 1998.
2. The meeting was attended by delegations from the ASEAN member countries and the U.S. The meeting was co-chaired by Aurelia E. Brazeal, U.S. Deputy Assistant Secretary for East Asia and the Pacific, and Datuk Abdul Kadir Mohamad, Secretary General of the Ministry of Foreign Affairs, Malaysia. Rodolfo Severino Jr., the Secretary General of ASEAN, was also present. Representatives of the U.S.-ASEAN and ASEAN-U.S. Business Councils attended the Meeting.
3. The participants exchanged views on economic, global, transnational, security, and organizational issues. The United States has been a Dialogue Partner with ASEAN for more than twenty years. During this time, the periodic Dialogue meeting has become an important part of ongoing relations between the two sides, traditionally covering the broad scope of their common interests with emphases on economic and development co-operation issues. In recent years, private sector participation in the economic portion of the Dialogue has become a regular feature of the discussions, providing additional perspective and depth. ASEAN and the U.S. reaffirmed their commitment to the relationship and the determination to strengthen the Dialogue mechanism.

Exchange of Views on Economic Issues

4. In discussing the financial crisis, participants including the private sector agreed that international financial institutions, in particular the IMF, have had and will continue to have a central role in helping to restore financial and monetary stability in the region. They agreed on the importance of undertaking reforms of the monetary and financial systems, both at national and international levels, including measures to strengthen market confidence by improving public and private sector transparency. They also agreed that social expenditure should be protected, wherever possible, to alleviate the socioeconomic difficulties. In this connection, they agreed that the World Bank and the Asian Development Bank have important roles to play.
5. Together, both sides also examined trade and investment issues, economic and technical co-operation, WTO and APEC, and the effects of the financial crisis. In light of the current economic situation in the region, both sides stressed the importance of resisting domestic pressures to restrict imports and of maintaining open markets. They agreed that the on-going economic co-operation in ASEAN, particularly AFTA, AICO and AIA, as well as ASEAN's co-operation with the U.S., would continue to create favourable conditions for increased foreign direct investment and trade.

6. ASEAN reiterated that in spite of the prevailing unfavourable financial and economic conditions in the ASEAN region, ASEAN is fully committed to meeting WTO obligations and to further promoting intra-ASEAN economic co-operation and liberalization, including the accelerated implementation of AFTA, liberalization of trade in services, and in investment in the ASEAN Investment Area. The U.S. welcomed this ASEAN effort and noted that all the basic economic fundamentals necessary to support renewed growth remained strong. The U.S. reiterated its confidence that the implementation of economic and structural reforms in conjunction with international assistance and co-operation would enable all the affected economies in ASEAN to overcome their difficulties. Both sides agreed to support and facilitate efforts by those ASEAN countries who are not yet members of WTO to work toward meeting WTO obligations in order to join the organization as soon as possible.

7. Both sides agreed that in this age of global trade and economic interdependence, it is in the interest of all parties concerned to support and facilitate an early and strong recovery in ASEAN. In this connection, the U.S. pledged to continue active co-operation with ASEAN in order to further enhance ASEAN's capabilities to recover and regain strength for sustained growth. ASEAN urged the U.S. to further provide trade financing facilities. The U.S. agreed to consider favourably technical assistance to ASEAN in structural adjustments and financial reforms in individual ASEAN member countries. The U.S. reiterated its support for ASEAN's efforts to set up a regional economic monitoring mechanism, as envisaged in the Manila Framework for Enhanced Asian Regional Co-operation to Promote Financial Stability. The U.S. also agreed to increase co-operation in promoting human resources development and small and medium enterprises (SME) in ASEAN. Both sides recognized and reaffirmed the importance of the GQP program which enables ASEAN producers and exporters to compete in the U.S. market.

8. ASEAN urged the U.S. to remove all the existing discriminatory policies against certain ASEAN member countries.

9. ASEAN highlighted the need to enhance development co-operation as one of the key aspects of the relationship. Both sides agreed on the need to reinvigorate the partnership to sustain the relationship into the 21st century. ASEAN encouraged the U.S. to consider areas for co-operation which would contribute to the realization of ASEAN Vision 2020.

10. On assistance to ASEAN students studying in the U.S., the U.S. highlighted five different programmes to alleviate the hardship caused by the ongoing financial crisis, including grants, scholarships, zero-interest loans, and an expansion of visa regulations to allow certain students to work during the course of their studies. In welcoming these programmes, ASEAN urged the U.S. to allow all ASEAN students to participate in the Studies and Work Program (SWAP) as well as encourage American universities where ASEAN students are studying to charge fees at pre-financial crisis exchange rates.

11. On APEC, the two sides noted that a successful package on Early Voluntary Sectoral Liberalization (EVSL) entailing the broadest participation and product coverage would enhance APEC's credibility as a player in the multilateral trading system. Both sides pledged their full commitment to a successful EVSL initiative. Further they agreed that APEC in 1998 would include greater emphasis on economic and technical co-operation goals, on trade and investment liberalization and facilitation, and on activities to develop human capital and harness technologies of the future. ASEAN highlighted the need for APEC to give more emphasis to the goals of reducing disparities and narrowing the development gap among members to achieve a prosperous community of Asia-Pacific economies.

Exchange of Views on Global Issues

12. On the environmental front, both sides noted that ASEAN countries are among those most affected by the change in the weather caused by the El Nino phenomenon. They reviewed international efforts to combat the 1997 environmental crisis caused by massive fires burning out of control. Both sides renewed

their commitment to work together and with the larger international community to enhance the ability of governments to address disruptions in the supply of food and fresh water, crucial environment-related disease threats, wildfires, deforestation, threats to endangered species and loss of biodiversity. The U.S. highlighted details of its Southeast Asian Environment Initiative (SAEI) and noted as well plans to work with the region on firefighting. ASEAN welcomed the SAEI and underlined the urgent need for assistance and support to meet immediate needs for strengthening the fire fighting capabilities in the areas currently affected by the fires, apart from long term monitoring and modelling activities.

13. On global climate change, the U.S. stressed that, although developed countries have a greater responsibility, global warming will affect all countries and require a worldwide effort to combat it. Although that effort will vary based on national circumstances, it should include efforts by developing countries to reduce the growth of their greenhouse emissions consistent with economic growth. The U.S. also highlighted the potential economic benefits of the Clean Development Mechanism, which can facilitate technology transfer and investment to developing countries and urged ASEAN countries to support the Clean Development Mechanism at upcoming international conferences. In turn, ASEAN called for the rapid entry into force of the Kyoto Protocol to the United Nations Framework on Climate Change (UNFCCC), which sets emission reduction targets for industrialized countries. ASEAN also called for the fulfilment of all commitments under the UNFCCC based on the principle of common but differentiated responsibilities, in particular those related to the provisions of new and additional financial resources and the transfer of technology. Further, ASEAN reiterated its position that no new commitments should be introduced for all developing countries. ASEAN underlined that developed countries should continue to meet their commitments on emission targets principally through domestic action and not through other means such as the Clean Development Mechanism.

14. On narcotics co-operation, the U.S. welcomed ASEAN commitment to create a drug-free region and agreed to contribute towards the realization of this vision. The U.S. expressed its interest in working together with ASEAN as an organization to explore ASEAN-wide activities to combat narcotics production, trafficking and abuse. In this regard, the U.S. welcomed the ASEAN-sponsored Joint Declaration recently adopted during 14–15 May in Hanoi by the six signatory countries of the 1993 MOU on Drug Control and the United Nations Drug Control Program (UNDCP) to be circulated at the UNGA Special Session on Drugs scheduled for June 1998, in New York. The U.S. recognized that the Joint Declaration reflects the concerted efforts and commitments of the concerned countries to tackle the drug problem in the region.

15. The U.S. also highlighted its work with Thailand to open an International Law Enforcement Training Academy in Bangkok, as well as its work with the UNDCP on narcotics-related projects in several ASEAN countries. ASEAN highlighted the need to draw on U.S. expertise in counter narcotics activities, and noted that while all ASEAN members are striving to reduce both demand and supply of illegal substances, increasing world demands for these products complicate this matter greatly. ASEAN also welcomed U.S. partnership with Thailand on law enforcement training as complementary to existing regional efforts against transnational crimes, particularly the establishment of an ASEAN Centre on Transnational Crimes (ACOT).

Exchange of Views on Regional Security Issues

16. The two sides exchanged views on regional security issues of mutual concern. The two sides discussed current developments in Cambodia, stressing the need for free, fair and credible elections as a prerequisite for progress and peace there. Participants welcomed developments in the Four Party Talks in Geneva on the Korean Peninsula and hoped that the process would continue. Both sides expressed hope

that the talks and the initiatives in KEDO would lead to peace on the Peninsula. The U.S. reiterated its call for continued support of KEDO by all in the region.

17. The two sides discussed non-proliferation issues and the ongoing consultations between the State Parties to the SEANWFZ Treaty and the Nuclear Weapons States to facilitate the latter's accession to the Protocol to the Treaty. The U.S. also provided an update on the situation in Kosovo, and in the Middle East. ASEAN appreciated the initiatives undertaken by the Contact Group countries on Kosovo and emphasized the importance of an early and durable solution to the Kosovo problem. ASEAN would like to see continued and determined efforts to save the peace process in the Middle East, which is in the interest of all. Both sides strongly believed that security for all could only be assured by establishing a just, lasting and comprehensive peace, on the basis of relevant UNSC Resolutions, including the principle of the exchange of land for peace.

Exchange of Views on Organizational Issues

18. The two sides had useful discussions on the structure and scope of the Post Ministerial Conferences. They welcomed continued discussions with a view to improving the Post Ministerial Conferences in accordance with ASEAN's ideals and objectives.

19. On the ASEAN-U.S. Dialogue mechanism, they reviewed the evolution of the relationship and agreed to strengthen the mechanism, taking into account changing needs and expectations.

SOURCE: ASEAN Secretariat World Wide Web site <<http://www.asean.or.id/dialog/prus14.htm>>.